

## Message Text

CONFIDENTIAL

PAGE 01 CONAKR 00418 011249Z

44

ACTION AF-06

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 ISO-00 INT-05

AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SS-15 /120 W

----- 071132

R 011146Z MAR 76

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 1662

INFO AMEMBASSY MOSCOW

AMEMBASSY ACCRA

AMEMBASSY ALGIERS

AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY FREETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY PARAMARIBO

AMEMBASSY PARIS

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L CONAKRY 0418

E.O. 11652: GDS

TAGS: PFOR EMIN EINV GV

SUBJECT: HALCO MEETING WITH GOG RE BAUXITE PRICE AND RELATED  
MATTERS.

REF: CONAKRY 1978 (75)

1. HALCO PRESIDENT HARRY FAWCETT, ACCOMPANIED BY DAVID WARE

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CONAKR 00418 011249Z

AND JACK MILLER, HELD MEETINGS WITH GOG LAST WEEK REGARDING

GUINEAN REQUEST FOR BAUXITE PRICE INCREASE. MINISTER OF PUBLIC WORKS LAMINE TOURE CONDUCTED TALKS FOR GOG, IN ABSENCE MOUSSA DIAKITE. LAST WEEK'S MEETING WAS FOLLOW-UP OF LAST CBG BOARD MEETING (REFTEL) WHEN GUINEANS ATTEMPTED INTRODUCE PRICE INCREASE BASED ON IBA PRICING FORMKPA. HALCO PARTNERS AT THAT TIME SUCCEEDED IN REMOVING ITEM FROM AGENDA, WITH PROMISE TO STUDY GUINEA REQUEST AND RESPOND.

2. FAWCETT, ON BEHALF OF HALCO PARTNERS, HAS NOW PROPOSED \$2 PER TON INCREASE IN FORM OF ADVANCE LUMP ADJUSTMENT APRIL 1 OF GRADUAL PRICE INCREASES WHICH WOULD OTHERWISE BE MADE OVER ONE AND A HALF TO TWO YEAR PERIOD. THOUGH THIS FALLS FAR SHORT OF IBA CRITERIA, GOG ACCEPTED OFFER AND WAS CLEARLY DELIGHTED. FAWCETT POINTED OUT THAT GUINEANS WOULD BE FIRST OF IBA MEMBERS TO ANNOUNCE NEW INCREASE. THIS BRINGS PRICE OF GUINEAN (CBG) BAUXITE, INCLUDING EXPORT TAX, TO APPROXIMATELY \$21 PER TON.

3. DURING DISCUSSION WITH AMBASSADOR FEBRUARY 27 FAWCETT ALSO RAISED QUESTION OF PROPOSED HALCO MOVE FROM PITTSBURGH TO PARIS. DECISION TO MOVE TENTATIVELY TAKEN AT LAST BOARD MEETING, PRIMARILY FROM PRESSURES APPLIED BY ALCAN. BOTH AMERICAN PARTNERS ARE OPPOSED TO MOVE, THOUGH ALCOA REP DID NOT FORMALLY VOTE AGAINST. FAWCETT NOW INFORMS EMBASSY THAT HE HAS HEARD AT VARIOUS LEVELS THAT GOG OPPOSES TRANSFER. WHILE IN US, HE WAS FORMALLY APPROACHED ALONG THIS LINE BY AMBASSADOR BAH, WHO TOLD HIM THAT GOG WANTS CBG TO HAVE AMERICAN, NOT EUROPEAN, ORIENTATION.

4. FAWCETT ALSO REPORTED THAT SOVIET REPRESENTATIVES, DURING RECENT DISCUSSIONS WITH ALCOA IN PITTSBURGH AND WITH PECHINEY IN FRANCE, WERE MOST INQUISITIVE ABOUT HALCO PAYMENT OF GUINEAN BAUXITE TAX. ALCOA AND PECHINEY ASSURED SOVIETS THAT TAX BEING PAID. SOVIETS GAVE IMPRESSION THAT THEY ALSO WOULD EVENTUALLY HAVE TO COMPLY WITH GUINEAN REQUIREMENTS ON TAX.

5. AS FOOTNOTE, FAWCETT TOLD US THAT GOG HAD ASKED FOR HALCO INTERCESSION WITH USG REGARDING PL480 AGREEMENT AND FOOD DELIVERIES. FAWCETT RESPONDED THAT HALCO WOULD BE WILLING INTERCEDE, BUT MUST FIRST REGISTER WITH JUSTICE DEPARTMENT AS AGENT OF GUINEAN GOVERNMENT. GOG SUGGESTED THAT MATTER BE DROPPED. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CONAKR 00418 011249Z

6. COMMENT: HALCO/CBG RELATIONS WITH GUINEANS CONTINUE EXCELLENT, WHICH IS IMPORTANT FACTOR FOR USG IN ITS OVER-ALL BILATERAL RELATIONS WITH GOG. HALCO REPS LEFT IMPRESSION THAT DECISION MOVE TO PARIS MAY WELL BE OVERRULED PRIOR FORTHCOMING CBG BOARD MEETING IN MARCH 1976. EMBASSY WOULD REGARD THIS AS FAVORABLE DEVELOPMENT, AND AMBASSADOR SO FFORMED FAWCETT. THERE IS NO DOUBT THAT GUINEANS CONTINUE TO SEEK ADDITIONAL US PRIVATE INVESTMENT. IT IS IN-

CREASINGLY EVIDENT THAT SUCCESS OF PAST US INVESTMENT AND PROSP-  
ECTS FOR FURTHER PARTICIPATION IN GUINEAN ECONOMY (MIFERGUI,  
AYEKOYE, ETC.) ADDS SIGNIFICANTLY TO US PRESENCE AND  
INFLUENCE IN GUINEA.  
HARROP

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BAUXITE, ALUMINUM, BUSINESS FIRMS, MEETINGS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CONAKR00418  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760077-0741  
**From:** CONAKRY  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t197603109/aaaadrwt.tel  
**Line Count:** 120  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 CONAKRY 1978  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2004 by ElyME>; APPROVED <19 APR 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** HALCO MEETING WITH GOG RE BAUXITE PRICE AND RELATED MATTERS.  
**TAGS:** PFOR, EMIN, EINV, GV, HALCO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006